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TERRA INDUSTRIES INC  
Form 425  
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of the Securities Exchange Act of 1934

Subject Company:

Terra Industries Inc.

On May 15, 2009, CF Industries Holdings, Inc. issued the following press release:

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**CF INDUSTRIES BOARD OF DIRECTORS REJECTS LATEST REVISED OFFER FROM AGRIMUM**

DEERFIELD, IL, May 15, 2009 CF Industries Holdings, Inc. (NYSE: CF) today announced that its board of directors has rejected Agrium Inc. s (TSX: AGU) (NYSE: AGU) latest revised offer to acquire all outstanding shares of CF Industries. Following a review of Agrium s latest revised offer with management and its legal and financial advisors, the CF Industries board of directors concluded that the offer continues to substantially undervalue the company and is not in the best interests of CF Industries and its stockholders.

Agrium s latest revision to its offer added \$5.00 in cash per share, which is only \$0.58 above the \$4.42 per share increase in CF Industries cash position during the first quarter of this year. Since February 24, 2009, the day before Agrium made its initial offer, the overall stock market is up significantly, and there has been an increase of 36.9% in the average stock price for the peer group<sup>1</sup>. With the latest revised offer, the nominal value of Agrium s offer has increased by only 22.5% since it was first made.

Our board and management team are committed to providing superior value to our stockholders, said Stephen R. Wilson, chairman, president and chief executive officer of CF Industries. Agrium has not significantly changed the terms of its offer since it was first made and the board believes that the offer continues to substantially undervalue CF Industries. The board concluded that the continued execution of its strategic plan, including the company s proposed business combination with Terra Industries, will deliver superior value to CF Industries stockholders.

Morgan Stanley and Rothschild are acting as financial advisors and Skadden, Arps, Slate, Meagher & Flom LLP is acting as legal counsel to CF Industries.

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Innisfree M&A Incorporated

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1 The peer group mentioned above includes Intrepid, Israel Chemicals, K + S, Mosaic, Potash and Yara, expressed on a U.S. dollar basis.

## About CF Industries

CF Industries Holdings, Inc., headquartered in Deerfield, Illinois, is the holding company for the operations of CF Industries, Inc. CF Industries, Inc. is a major producer and distributor of nitrogen and phosphate fertilizer products. CF Industries operates world-scale nitrogen fertilizer plants in Donaldsonville, Louisiana and Medicine Hat, Alberta, Canada; conducts phosphate mining and manufacturing operations in Central Florida; and distributes fertilizer products through a system of terminals, warehouses, and associated transportation equipment located primarily in the Midwestern United States. The company also owns a 50 percent interest in KEYTRADE AG, a global fertilizer trading organization headquartered near Zurich, Switzerland. Additional information on CF Industries is found on the company's website at [www.cfindustries.com](http://www.cfindustries.com).

## Additional Information

This press release is neither an offer to purchase nor the solicitation of an offer to sell any securities. CF Industries Holdings, Inc. ( CF Industries ) previously filed a Solicitation/Recommendation Statement on Schedule 14D-9 (as amended, the Solicitation/Recommendation Statement ) with the Securities and Exchange Commission (the SEC ) with respect to the exchange offer commenced by Agrium Inc. Investors and security holders of CF Industries are urged to read the solicitation/recommendation statement and other relevant materials as they become available, because they will contain important information.

This press release relates to the offer (the Offer ) by CF Industries through its direct wholly-owned subsidiary, Composite Acquisition Corporation ( Composite Acquisition ), to exchange each issued and outstanding share of common stock (the Terra common stock ) of Terra Industries Inc. ( Terra ) for 0.4235 shares of CF Industries common stock. This press release is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, Terra common stock, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary Prospectus/Offer to Exchange included in the Registration Statement on Form S-4 (Reg. No. 333-157462) (including the Letter of Transmittal and related documents and as amended from time to time, the Exchange Offer Documents ) previously filed by CF Industries and Composite Acquisition with the SEC. The Registration Statement has not yet become effective. The Offer is made only through the Exchange Offer Documents. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THESE DOCUMENTS AND OTHER RELEVANT MATERIALS AS THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

In connection with the solicitation of proxies for the 2009 annual meeting of stockholders of Terra, CF Industries and its wholly-owned subsidiary CF Composite, Inc. ( CF Composite ) filed a revised preliminary proxy statement with the SEC on April 7, 2009 and intend to file a definitive proxy statement. When completed, the definitive proxy statement of CF Industries and CF Composite and accompanying proxy card will be mailed to stockholders of Terra. INVESTORS AND SECURITY HOLDERS OF TERRA ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT MATERIALS CAREFULLY IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and security holders will be able to obtain free copies of any documents filed by CF Industries with the SEC through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov). Free

copies of any such documents can also be obtained by calling Innisfree M&A Incorporated toll-free at (877) 456-3507.

CF Industries, CF Composite, their respective directors and executive officers and the individuals nominated by CF Composite for election to Terra's board of directors are participants in the solicitation of proxies from Terra stockholders for Terra's 2009 annual meeting of stockholders. Information regarding such participants and a description of their direct and indirect interests in such solicitation, by securities holdings or otherwise, is contained in the revised preliminary proxy statement filed by CF Industries with the SEC on April 7, 2009. CF Industries and its directors and executive officers will be participants in any solicitation of proxies from Terra stockholders or CF Industries stockholders in respect of the proposed transaction with Terra. Information regarding CF Industries' directors and executive officers is available in the supplement to its proxy statement for its 2009 annual meeting of stockholders, which was filed with the SEC on April 7, 2009, and a description of their direct and indirect interests in such solicitation, by security holdings or otherwise, will be contained in the proxy statement/prospectus filed in connection with the proposed transaction with Terra.

#### Safe Harbor Statement

Certain statements contained in this press release may constitute forward-looking statements. All statements in this press release, other than those relating to historical information or current condition, are forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. Risks and uncertainties relating to the proposed transaction include: Terra's failure to accept CF Industries' proposal and enter into definitive agreements to effect the transaction; our ability to obtain shareholder, antitrust, regulatory and other approvals on the proposed terms and schedule; uncertainty of the expected financial performance of CF Industries following completion of the proposed transaction; CF Industries' ability to achieve the cost-savings and synergies contemplated by the proposed transaction within the expected time frame; CF Industries' ability to promptly and effectively integrate the businesses of Terra and CF Industries; and disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers. Additional risks and uncertainties include: the relatively expensive and volatile cost of North American natural gas; the cyclical nature of our business and the agricultural sector; changes in global fertilizer supply and demand and its impact on the selling price of our products; the nature of our products as global commodities; intense global competition in the consolidating markets in which we operate; conditions in the U.S. agricultural industry; weather conditions; our inability to accurately predict seasonal demand for our products; the concentration of our sales with certain large customers; the impact of changing market conditions on our forward pricing program; the reliance of our operations on a limited number of key facilities; the significant risks and hazards against which we may not be fully insured; reliance on third party transportation providers; unanticipated adverse consequences related to the expansion of our business; our inability to expand our business, including the significant resources that could be required; potential liabilities and expenditures related to environmental and health and safety laws and regulations; our inability to obtain or maintain required permits and governmental approvals or to meet financial assurance requirements; acts of terrorism; difficulties in securing the supply and delivery of raw materials we use and increases in their costs; losses on our investments in securities; loss of key members of management and professional staff; recent global market and economic conditions, including credit markets; and the other risks and uncertainties included from time to time in our filings with the SEC. Except as required by law, we undertake no obligation to update or revise any forward-looking statements.